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**Congress of the United States**  
**House of Representatives**  
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May 24, 2011

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Governor Terry Branstad  
Office of the Governor, State Capitol  
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Des Moines, Iowa 50319

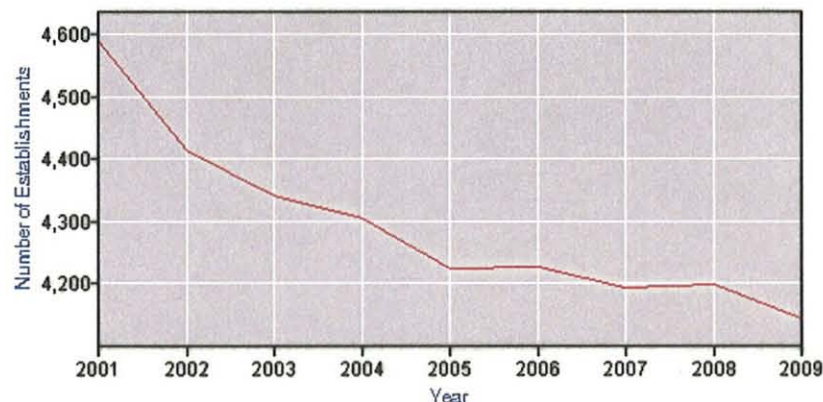
Dear Governor Branstad:

Thank you for your letter dated May 23, 2011, supporting pending free trade agreements (FTAs). I have serious concerns with these deals and the negative impact they will have on the Iowa economy, and it is my hope that you will reconsider your support for these job-killing measures.

As you may know, the current national unemployment rate is 9% with 13.7 million American workers unemployed. In Iowa we have lost an estimated 638 manufacturing facilities since 2001, according to the Bureau of Labor Statistics (BLS). This equates to the loss of over 43,000 Iowa manufacturing jobs during this time. These factory closings, such as the former Maytag facility in Newton, and the accompanying job loss, have devastated many communities across the state. Unfortunately for hundreds of Iowa communities, this loss in manufacturing facilities has been steady since 2001, as shown below:

**Quarterly Census of Employment and Wages**

Series Id: ENU190002051013  
State: Iowa  
Area: Iowa -- Statewide  
Industry: Manufacturing  
Owner: Private  
Size: All establishment sizes  
Type: Number of Establishments



These trade agreements that you continue to tout could lead to the loss of thousands more Iowa jobs which, in an already fragile economy, would be devastating for middle class Iowans. It has been estimated that the Korea FTA could lead to the loss of over 5,000 manufacturing jobs in Iowa's First District alone. This includes over 3,000 metal products workers and close to 900 motor vehicle and parts workers. These numbers are unacceptable to me considering that we have already lost tens of thousands of manufacturing jobs in Iowa over the past decade. Iowa cannot afford to ship thousands more manufacturing jobs overseas.

Another major concern with these agreements is the increase in the trade deficit, which has proven to lead to American job loss. A 2006 Economic Policy Institute report found that a rising trade deficit leads to decreases in U.S. labor demand, which leads to job loss. The U.S. International Trade Commission (USITC) is required to do a comprehensive economic analysis of every trade pact that will be sent to Congress for consideration. The USITC study of the Korea FTA concluded that the implementation of the Korea FTA would lead to an increase in the overall U.S. trade deficit in goods, resulting in worse trade balances in seven industrial sectors. According to the Commerce Department, our current trade deficit is at \$48.2 billion. Our trade deficit with China stands at \$18.1 billion. The United States cannot afford to continue increasing our trade deficit with other countries. This will only lead to further job loss in the United States.

Many will argue that Iowa agriculture will benefit from passing these pending FTAs. However, since NAFTA became law our state has seen a 34% decline in the number of average family farms, based on USDA and Census figures. Our state, our communities and our economy cannot continue to sustain this free fall. When looking at the increase in the trade deficit in the agricultural sectors it is clear that Iowa agriculture could suffer tremendously. In Iowa's First District, the USITC found that passing the Korea FTA would lead to a net negative loss of \$173 million in agriculture sectors. For example, the FTA as it relates specifically to soybeans would result in an increased deficit of up to \$39 million. When looking at these numbers, it is clear that the Korea FTA poses more threats to Iowa's agricultural community than prospective gains.


It has been widely reported that the Korea FTA will not be considered unless the Colombia and Panama FTAs are also considered. However, similar concerns for the Iowa economy exist regarding the Colombia and Panama FTAs, and the combination of these trade deals could be devastating to the state.

I'm particularly concerned that the tax dollars of hard-working Iowans are being used to promote trade policies that have led to a dramatic loss of Iowa jobs, and will likely lead to a loss of future Iowa jobs. I'm sure that my high school classmates who lost their jobs at Maytag would like to know more about how these trade deals offer hope to Iowans when the U.S. International Trade Commission paints such a gloomy forecast. Given the clear history of trade deals leading to Iowa job losses, how do you

believe these trade deals will be any different from past trade deals – that have cost the state tens of thousands of jobs and resulted in exorbitant trade deficits?

I urge you to reconsider your stance regarding the pending FTAs. Please feel free to contact me if I can provide further assistance.

Sincerely,



Bruce L. Braley  
Member of Congress